

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
MIDLAND DIVISION**

PETER KALTMAN,	§	
MALCOLM LORD,	§	
CELESTE NAVON,	§	
DAVID W. ORTBALS,	§	
PAUL E. STEWARD,	§	
GARCO INVESTMENTS, LLP	§	
Individually and On Behalf of	§	
All Others Similarly Situated,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	CAUSE NO. MO-04-CV-082
	§	
KEY ENERGY SERVICES, INC.,	§	
FRANCIS D. JOHN, and	§	
ROYCE MITCHELL,	§	
	§	
Defendants.	§	

**DEFENDANT KEY ENERGY SERVICES, INC.'S
SUBMISSION REGARDING CLASS EXPERT DISCLOSURE**

Pursuant to the class expert disclosure deadlines in the joint discovery/case management plan set forth in the Court's Order of November 17, 2006, Defendant Key Energy Services, Inc. ("Key Energy" or the "Company") submits the following with respect to the November 21, 2006 Declaration of Scott D. Hakala, Ph.D., CFA Regarding Market Efficiency ("Declaration"):

Hakala's conclusions in the Declaration are limited in scope to the narrow issue of whether evidence exists for the level of market efficiency required for class certification. Without conceding the issue, Key Energy will not offer, at the class certification stage, expert testimony to rebut Hakala's conclusion that Key Energy shares traded on an efficient market during the proposed class period.

Key Energy does not concede the existence of any “cause and effect relationship” described in Hakala’s Declaration between any events in the marketplace, including the financial releases of the Company, and movements in the security price. Key Energy does not concede the statistical significance of any individual event or trading day in Hakala’s analysis.

Key Energy does not concede the appropriateness of the start and end dates of the class, or class definition, and does intend to contest those issues in its Response to the Motion for Class Certification.

Key Energy reserves the right to offer countervailing expert testimony with respect to any additional opinions or subject matter set forth in any subsequent class expert disclosures or given during deposition, whether of Hakala or any other individual whom Plaintiffs may proffer as an expert with respect to issues of class certification.

Respectfully submitted,

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/s/ Penn C. Huston

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CERTIFICATE OF SERVICE

I hereby certify that on this the 22nd day of December 2006, the foregoing have been served via CM/ECF and/or by first class United States mail, to all counsel as indicated below:

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